A NATION'S AFFAIRS

President Cleveland's Message to Congress.

HIS CURRENCY PLAN.

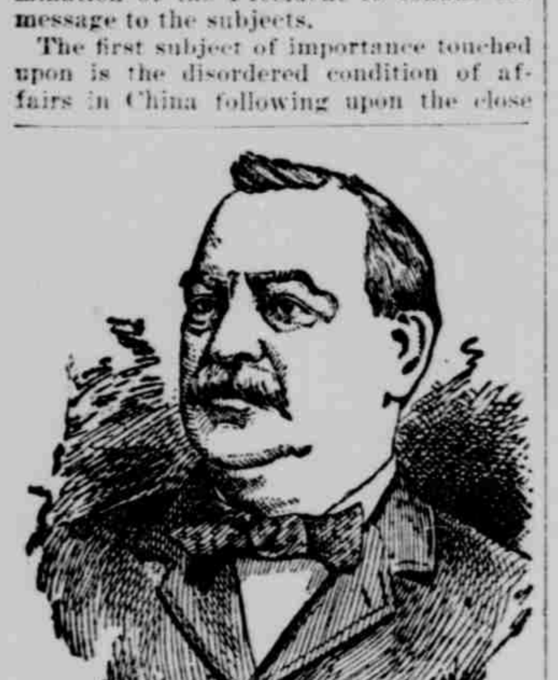
Would Issue Bonds and Retire Greenbacks.

Only Way to Break the "Endless Chain"—Strongly Favors the Gold Standard, but Advocates Silver and Silver Certificates for Domestic Exchange—Parity Must Be Preserved, and Temptation to Speculation Removed—Would Reduce Tax on National Bank Circulation — Foreign Relations Reviewed.

President Cleveland's message to the Fifty-fourth Congress was not transmitted until Tuesday forenoon, when it was read before both House and Senate. It was of great length, over 20,000 words; it dealt exhaustively with all questions which have arisen during the past year, and also with those of current interest.

The message opens with a reference to the importance of our foreign relations and the exigencies of the national finances at this time and the consequent determination of the President to confine his message to the subjects.

The first subject of importance touched upon is the disordered condition of affairs in China following upon the close



PRESIDENT CLEVELAND.

of the war with Japan, the consequent weakening of the central authority of the government and the serious outbreaks of the old fanatical spirit against foreigners is discussed. The demands of the United States and other powers for the punishment of the aggressors and the compliance of the Chinese Government are related, as is the demand of the United States for a special commission to investigate the disturbances where they were first brought out..

"The energetic steps we have thus taken," says the President, "are all the more likely to result in future safety to our citizens in China, because the imperial government is, I am persuaded, entirely convinced that we desire only the liberty and protection of our own citizens and redress for any wrongs that they may have suffered, and that we have no ulterior designs or objects, political or otherwise."

Of the Waller incident the message says: "The customary cordial relations between this country and France have been undisturbed with the exception that a full explanation of the treatment of Jean L. Waller by the expeditionary military authorities of France still remains to be given."

"The official record of the trial has been furnished this government," says the message, "but the evidence adduced in support of the charges—which was not received by the French minister for foreign affairs till the first week in October—has thus far been withheld, the French Government taking the ground that its production in response to our demand would establish a bad precedent. The efforts of our ambassador to procure it, however, though retarded by recent changes in the French ministry, have not been relaxed, and it is confidently expected that some satisfactory solution of the matter will shortly be reached. Meanwhile, it appears that Mr. Waller's confinement has every alleviation which the state of his health and all the other circumstances of the case demand or permit."

The President points out as a pleasant contrast the conclusion of a permanent treaty of arbitration between the two countries, and recommends the acceptance of the invitation to take part in the Paris exposition of 1900.

Our relations with Germany, he says, are influenced by the "delusive doctrine that the internal development of a nation is promoted and its wealth increased by a policy which is undertaking to reserve its home markets for the exclusive use of its own producers, necessarily obstructs their sales in foreign markets, and prevents free access to the products of the world. The desire to retain trade in time-worn ruts, regardless of the inexorable laws of new needs and changed conditions of demand and supply, and our own halting tardiness to inviting a freer exchange of commodities and by this means imperiling our footing to the external markets naturally open to us, have created a situation somewhat injurious to American import interests, not only in Germany, where they are perhaps most noticeable, but in adjacent countries.

The effect of this, particularly on food products and also on our insurance companies, is pointed out. The necessity for open-handed fairness in dealing with other nations is stated, but it is argued that if necessary to provide restrictions similar to those from which we suffer in order to guard against unfair discrimination, the way to such a course is easy, but should not be lightly entered upon.

The vexatious points of the Bering sea question are referred to and the failure of the arbitration tribunal to provide a means of settlement are pointed out. The insufficiency of the British patrol of Bering Sea and the necessity for a more effective enforcement of regulations have, it is said, been pointed out to the British Government, if it is hoped to save the seals from extinction. Of the proposal to pay $125,000 to Great Britain in settlement of British claims for damages, which was refused by the last Congress, the President recommends that it can again be considered and sanctioned. If this is refused we are bound by every consideration of honor and good faith, he says, to provide for a speedy settlement by arbitration. A treaty of arbitration is, accordingly, to be laid before the Senate. An appropriation for the completion of the Alaska boundary survey, which follows the contour of the coast is earnestly recommended. The importance of an international agreement as to the line of the 141st meridian, which forms the rest of the boundary, is dwelt upon. Attention is also called to the unsatisfactory condition of the boundaries with Canada in the great lakes and the necessity for a joint commission on the subject.

The Venezuela Controversy.

Of Venezuela the message simply states that a statement of the interest and policy of the United States regarding the boundary dispute was sent to Great Britain in July last.

"The general conclusions therein reached and formulated," says the President, "are in substance that the traditional and established policy of the Government is firmly opposed to forcible increase by any European power of its territorial possessions on this continent; that this policy is as well founded in principle as it is strongly supported by numerous precedents; that as a consequence the United States is bound to protest against the enlargement of the area of British Guiana in derogation of the rights and against the will of Venezuela; that, considering the disparity in strength of Great Britain and Venezuela, the territorial dispute between them can be reasonably settled only by friendly and impartial arbitration, and that the resort to such arbitration should include the whole controversy, and it is not satisfied if one of the powers concerned be permitted to draw an arbitrary line through the territory in debate and declare that it will submit to arbitration only the portion lying on one side of it. In view of these conclusions, the dispatch in question called upon the British Government for a definite answer to the question whether it would or would not submit the territorial controversy between itself and Venezuela in its entirety to impartial arbitration. The answer of the British Government has not been received, but is expected shortly, when further communication on the subject will probably be made to the Congress.

Hawaii is dismissed with a reference to the uprising last January, the demands made upon the Hawaiian Government for the rights of American citizens concerned therein, and the demand for the recall of Minister Thurston.

The padrone system is denounced as responsible for such manifestations against helpless aliens as the lynching of Italians in Colorado. Congratulations are offered on our good relations with Japan, in view of her vast gains in greatness. Unimportant references are made to our relations with Mexico, Nicaragua and Russia. The recommendation for an abandonment of the Samoan agreement is renewed.

Of Cuba the President says the United States must preserve international faith, whatever the sympathy of our citizens with the insurgents. He continues:

"Though neither the warmth of our people's sympathy with the Cuban insurgents nor our loss or material damage consequent upon the futile endeavors thus far made to restore peace and order, nor any shock our humane sensibilities may have received from the cruelties which appear to especially characterize this sanguinary and fiercely conducted war, have in the least shaken the determination of the Government to honestly fulfill every international obligation, yet it is to be earnestly hoped on every ground that the devastation of armed conflict may speedily be stayed and order and quiet restored to the distracted island, bringing in their train the activity and thrift of peaceful pursuits."

The Alliança incident and Spain's disavowal of it and assurances of a non-recurrence of similar interferences are stated.

The President then expresses his regret that the Turkish Government should have thwarted the purpose to send to the disturbed quarter of the empire the United States consul at Sivas in order to investigate and report. Every effort, he says, is put forth to insure the safety of American citizens and the United States minister is alert. But, he goes on, several of the most powerful European powers have assumed a duty as agents of the Christian world in Turkey to restrain fanatical brutality, and "it is earnestly hoped that prompt and effective action on their part will not be delayed."

The message recommends at length an improvement in the consular service by some plan of appointment and control.

Delicate Financial Situation.

Fully half the message is devoted to a discussion of the financial situation.

"By command of the people," the message says, "a customs revenue system designed for the protection and benefit of favored classes at the expense of the great mass of our countrymen, and which, while inefficient for the purpose of revenue, curtailed our trade relations and impeded our entrance to the markets of the world, has been superseded by a tariff policy which in principle is based upon a denial of the right of the government to obstruct the avenues to our people's cheap living or lessen their comfort and contentment, for the sake of according especial advantages to favorites, and which, while encouraging our intercourse and trade with other nations, recognizes the fact that American self-reliance, thrift and ingenuity can build up our country's industry and develop its resources more surely than enervating paternalism."

But this and the repeal of the silver-purchase law, it is said, fall far short of curing the financial evils from which we suffer.

A lengthy review follows of the growth of our currency, especially the United States notes and treasury notes, and the consequent endless drain on the gold reserve of the treasury.

The President states that "among the causes for this constant and uniform shrinkage in this fund may be mentioned the great falling off of exports under the operation of the tariff law until recently in force, which crippled our exchange of commodities with foreign nations and necessitated to some extent the payment of our balances in gold; the unnatural infusion of silver into our currency, and the increasing agitation for its free and unlimited coinage, which have created apprehension as to our disposition or ability to continue gold payments; the consequent hoarding of gold at home and the stoppage of investments of foreign capital as well as the return of our securities already sold abroad, and the high rate of foreign exchange, which induced the shipment of our gold to be drawn against as a matter of speculation."

Dealings with Bond Syndicate.

The history of the various bond transactions which have been resorted to in order to replenish the gold reserve is reviewed and the constant subsequent fallings off pointed out. Of the last transaction with the syndicate the President says: "The performance of this contract not only restored the reserve, but checked for a time the withdrawals of gold and brought on a period of restored confidence and such peace and quiet in business circles as were of the greatest possible value to every interest that affects our people. I have never had the slightest misgiving concerning the wisdom or propriety of this arrangement, and am quite willing to answer for my full share of responsibility for its promotion. I believe it averted a disaster, the imminence of which was fortunately not at the time generally understood by our people."

We are now, the President says, nearly where we started and nearly all of the gold withdrawn has been paid out on United States notes, which still remain uncanceled. Therefore, he says, "I am convinced the only thorough and practicable remedy for our troubles is found in the retirement and cancellation of our United States notes, commonly called greenbacks, and the outstanding treasury notes issued by the government in payment of silver purchases under the act of 1890."

I believe this could be quite readily accomplished by the exchange of these notes for United States bonds of small as well as large denominations, bearing a low rate of interest. They should be long-term bonds, thus increasing their desirability as investments, and because their payment could be well postponed to a period far removed from present financial burdens and perplexities, when, with increased prosperity and resources, they would be more easily met.

To further insure the cancellation of these notes and also provide a way by which gold may be added to our currency in lieu of them, a feature in the plan should be an authority given to the Secretary of the Treasury to dispose of the bonds abroad for gold if necessary to complete the contemplated redemption and cancellation, permitting him to use the proceeds of such bonds to take up and cancel any of the notes that may be in the treasury or that may be received by the Government on any account.

The increase of our bonded debt involved would be amply compensated by renewed activity in all business circles, restored confidence at home, reinstated faith in our monetary strength abroad and stimulation of every interest and industry that would follow the cancellation of the gold-demand obligations. In any event, the bonds proposed would stand for the extinguishment of a troublesome indebtedness, while in the path we now follow there lurks the menace of unending bonds, with our indebtedness still undischarged and aggravated in every feature. The obligations necessary to fund this indebtedness would not equal in amount those from which we have been relieved since 1884 by anticipation and payment beyond the requirements of the sinking fund out of our surplus revenue.

The currency withdrawn by the retirement of the United States notes and treasury notes, amounting to probably less than $486,000,000 might be supplied by such gold as would be used in their retirement or by an increase in the circulation of our national banks. Though the aggregate capital of those now in existence amounts to more than $664,000,000, their outstanding circulation, based on bond security, amounts to only about $190,000,000. They are authorized to issue notes amounting to 90 per cent of the bonds deposited to secure their circulation, but in no event beyond the amount of their capital stock, and they are obliged to pay 1 per cent tax on the circulation they issue.

I think they should be allowed to issue circulation equal to the par value of the bonds they deposit to secure it, and that the tax on their circulation should be reduced one-fourth of 1 per cent., which would meet all the expense Government incurs on their account. In addition they should be allowed to substitute or deposit, in lieu of the bonds now required as security for their circulation, those which would be issued for the purpose of retiring the United States notes and treasury notes.

The banks already existing, if they desired, could issue circulation in addition to that already outstanding, amounting to $478,000,000, which would nearly or quite equal the currency proposed to be cancelled. At any rate, I should confidently expect to see the existing national banks, or others to be organized, avail themselves of the proposed encouragements to issue circulation, and promptly fill any vacuum and supply every currency need.

It has always seemed to me that the provisions of law regarding the capital of national banks which operate as a limitation to their location fail to make proper compensation for the suppression of State banks, which came near to the people in all sections of the country and readily furnished them with banking accommodations and facilities. Any inconvenience or embarrassment arising from these restrictions on the location of national banks might well be remedied by better adapting the present system to the creation of banks in smaller communities or by permitting banks of large capital to establish branches in such localities as would serve the people—so regulated and restrained as to secure their safe and conservative control and management.

But there might not be the necessity for such an addition to the currency by new issues of bank circulation as at first glance is indicated. If we should be relieved from maintaining a gold reserve under conditions that constitute it the barometer of our solvency, and if our treasury should no longer be the foolish purveyor of gold for nations abroad, or for speculation and hoarding by our citizens at home, I should expect to see gold resume its natural and normal functions in the business affairs of the country and cease to be an object attracting the timid watch of our people and exciting their sensitive imaginations.

Silver Coinage.

I do not overlook the fact that the cancellation of the treasury notes issued under the silver-purchasing act of 1890 would leave the treasury in the actual ownership of sufficient silver, including seigniorage, to coin nearly $178,000,000 standard dollars. It is worthy of consideration whether this might not, from time to time, be converted into dollars or fractional coin and slowly put into circulation, as in the judgment of the Secretary of the Treasury the necessities of the country should require.

Whatever is attempted should be entered upon fully appreciating the fact that by careless, easy descent we have reached a dangerous depth; our ascent will not be accomplished without laborious toil and struggle. We shall be wise if we realize that we are financially ill and that our restoration to health may require heroic treatment and unpleasant remedies.

In the present stage of our difficulty it is not easy to understand how the amount of our revenue receipts directly affects it. The important question is not the quantity of money received in revenue payments, but the kind of money we maintain and our ability to continue in sound financial condition. We are considering the Government's holdings of gold as related to the soundness of our money and as affecting our national credit and monetary strength. If the gold reserve had never been impaired; if no bonds had been issued to replenish it; if there had been no question concerning our ability to continue gold payments; if our revenues were now paid in gold, and if we could look to our gold receipts as a means of maintaining a safe reserve, the amount of our revenues would be an influential factor in the problem. But unfortunately all the circumstances that might lend weight to this consideration are entirely lacking.

No Gold from Revenues.

In our present predicament no gold is received in payment of revenue charges, nor would there be if the revenues were increased. The receipts of the treasury, when not in silver certificates, consist of United States notes and treasury notes issued for silver purchases. These forms of money are only useful to the Government in paying its current, ordinary expenses, and its quantity in Government possession does not in the least contribute toward giving us that kind of safe financial standing or condition which is built on gold alone.

If it is said that these notes, if held by the Government, can be used to obtain gold for our reserve, the answer is easy. The people draw gold from the treasury on demand upon United States notes and treasury notes, but the proposition that the treasury can on demand draw gold from the people upon them would be regarded in these days with wonder and amusement. And even if this could be done, there is nothing to prevent those thus parting with their gold from regaining it the next day or the next hour by the presentation of the notes they received in exchange for it. The secretary of the treasury might use such not taken from a surplus revenue to buy gold in the market. Of course he could do this without paying a premium. Private holders of gold, and, unlike the Government, having no parity to maintain, would not be restrained from making the best bargain possible when they furnished gold to the treasury; but the moment the secretary of the treasury bought gold on any terms above par he would establish a general and universal premium upon it, thus breaking down the parity between gold and silver which the Government is pledged to maintain, and opening the way to new and serious complications. Meantime the premium would not remain stationary, and the absurd spectacle might be presented of a dealer selling gold to the Government, and with United States or treasury notes in hand immediately clamoring for its return and a resale at a higher premium.

It may be claimed that a large revenue and redundant receipts might favorably affect the situation under discussion by affording an opportunity of retaining these notes in the treasury when received, and thus preventing their presentation for gold. Such retention, to be useful, ought to be at least measurably permanent; and this is precisely what is prohibited, so far as United States notes are concerned, by the law of 1878 forbidding their further retirement. That statute, in so many words, provides that these notes, when received into the treasury and belonging to the United States, shall be "paid out again and kept in circulation." It will, moreover, be readily seen that the Government could not refuse to pay out United States notes and treasury notes in current transactions when demanded, and insist on paying out silver alone and still maintain the parity between that metal and the currency representing gold. Besides, the accumulation in the treasury of currency of any kind exacted from the people through taxation is justly regarded as an evil and it cannot proceed far without vigorous protest against an unjustifiable retention of money from the business of the country and a denunciation of a scheme of taxation which proves itself to be unjust when it takes from the earnings and income of the citizens money so much in excess of the needs of government support that large sums can be gathered and kept in the treasury. Such a condition has heretofore, in times of surplus revenue, led the Government to restore currency to the people by the purchase of its unmatured bonds at a large premium and by a large increase of its deposits in national banks, and we easily remember that the abuse of treasury accumulation has furnished a most persuasive argument in favor of legislation radically reducing our tariff taxation.

Perhaps it is supposed that sufficient revenue receipts would in a sentimental way improve the situation, by inspiring confidence in our solvency and allaying the fear of pecuniary exhaustion. And yet, through all our struggles to maintain our gold reserve, there never has been any apprehension as to our ready ability to pay our way with such money as we had; and the question whether or not our current receipts met our current expenses has not entered into the estimate of our solvency. Of course, the general state of our funds, exclusive of gold, was entirely immaterial to the foreign creditor and investor. His debt could only be paid in gold, and his only concern was our ability to keep on hand that kind of money.

On July 1, 1892, more than a year and a half before the first bonds were issued to replenish the gold reserve, there was a net balance in the treasury, exclusive of such reserve, of less than $13,000,000; but the gold reserve amounted to more than $114,000,000, which was the quieting feature of the situation. It was when the stock of gold began rapidly to fall that fright supervened and our securities held abroad were returned for sale and debts owed abroad were pressed for payment. In the meantime, extensive shipments of gold and other unfavorable indications caused restlessness and fright among our people at home. Thereupon the general state of our funds, exclusive of gold, became also immaterial to them, and they, too, drew gold from the treasury for hoarding against all contingencies. This is plainly shown by the large increase in the proportion of gold withdrawn which was retained by our own people as time and threatening incidents progressed. During the fiscal year ending June 30, 1894, nearly $85,000,000 in gold was withdrawn from the treasury and about $77,000,000 was sent abroad, while during the fiscal year ending June 30, 1895, over $117,000,000 was drawn out, of which only about $66,000,000 was shipped, leaving the large balance of such withdrawals to be accounted for by domestic hoarding.

Increased Revenues No Remedy.

Inasmuch as the withdrawal of our gold has resulted largely from fright, there is nothing apparent that will prevent its continuance or recurrence with its natural consequences, except such a change in our financial methods as will reassure the frightened and make the desire for gold less intense. It is not clear how an increase in revenue, unless it be in gold, can satisfy those whose only anxiety is to gain gold from the Government's store. It cannot, therefore, be safe to rely upon increased revenues as a cure for our present troubles.

It is possible that the suggestion of increased revenue as a remedy for the difficulties we are considering may have originated in an intimation or distinct allegation that the bonds which have been issued ostensibly to replenish our gold reserve were really issued to supply insufficient revenue. Nothing can be further from the truth. Bonds were issued to obtain gold for the maintenance of our national credit. As has been shown the gold thus obtained has been drawn again from the treasury upon United States notes and treasury notes. This operation would have been promptly prevented, if possible, but these notes having thus been passed to the treasury they became the money of the Government, like any other ordinary Government funds, and there was nothing to do but to use them in paying Government expenses when needed.

At no time when bonds have been issued has there been any consideration of the question of paying the expenses of Government with their proceeds. At the time of each bond issue we had a safe surplus in the treasury for ordinary operations, exclusive of the gold in our reserve. In February, 1894, when the first issue of bonds was made, such surplus amounted to over $18,000,000; in November, when the second issue was made, it amounted to more than $42,000,000, and in February, 1895, when bonds for the third time were issued, such surplus amounted to $98,072,420.30. Besides all this, the Secretary of the Treasury had no authority whatever to issue bonds to increase the ordinary revenues or pay current expenses.

I cannot but think there has been some confusion of ideas regarding the effects of the issue of bonds and the results of the withdrawal of gold. It was the latter process and not the former that by substituting in the treasury United States notes and treasury notes for gold increased by their amount the money which was in the first instance subject to ordinary government expenditure. Although the law compelling an increased purchase of silver by the Government was passed on the 14th day of July, 1890, withdrawals of gold from the treasury upon the notes given in payment on such purchases did not begin until October, 1891. Immediately following that date the withdrawals upon both these notes and United States notes increased very largely, and have continued to such an extent that since the passage of that law there has been more than thirteen times as much gold taken out of the treasury upon United States notes and treasury notes issued for silver purchases as was thus withdrawn during the eleven and a half years immediately prior thereto and after the first day of January, 1879, when specie payments were resumed.

It is neither unfair nor unjust to charge a large share of our present financial perplexities and dangers to the operation of the laws of 1878 and 1890 compelling the purchase of silver by the Government, which not only furnishes a new treasury obligation upon which its gold could be withdrawn, but so increased the fear of an overwhelming flood of silver and a forced descent to silver payments that even the repeal of these laws did not entirely cure the evils of their existence.

Free Silver Coinage.

While I was endeavoring to make a plain statement of the disordered condition of our currency and the present dangers menacing our prosperity and to suggest a way which leads to a safer financial system, I have constantly had in mind the fact that many of my countrymen, whose sincerity I do not doubt, insist that the cure for the ills now threatening us may be found in the single and simple remedy of the free coinage of silver. They contend that our mints shall be at once thrown open to the free, unlimited and independent coinage of both gold and silver dollars, of full legal tender quality, regardless of the action of any other Government and in full view of the fact that the ratio between the metals which they suggest calls for 100 cents' worth of gold in the gold dollar at the present standard, and only 50 cents in intrinsic worth of silver in the silver dollar.

Were there infinitely stronger reasons than can be adduced for hoping that such action would secure for us a bimetallic currency moving on lines of parity, an experiment so novel and hazardous as that proposed might well stagger those who believe that stability is an imperative condition of sound money. No government, no human contrivance or act of legislation has ever been able to hold the two metals together in free coinage at a ratio appreciably different from that which is established in the markets of the world. Those who believe that our independent free coinage of silver at an artificial ratio with gold of 16 to 1 would restore the parity between the metals, and consequently between the coins, oppose an unsupported and improbable theory to the general belief and practice of other nations, and to the teachings of the wisest statesmen and economists of the world, both in the past and present, and, what is far more conclusive, they run counter to their own actual experiences.

Twice in our earlier history our lawmakers, in attempting to establish a bimetallic currency, undertook free coinage upon a ratio which accidentally varied from the actual relative values of the two metals not more than 3 per cent. In both cases, notwithstanding greater difficulties and cost of transportation than now exist, the coins whose intrinsic worth was undervalued in the ratio gradually and surely disappeared from our circulation and went to other countries, where their real value was better recognized. Acts of Congress were impotent to create equality where natural causes decreed even a slight inequality.

Twice in our recent history we have signally failed to raise by legislation the value of silver. Under an act of Congress passed in 1878 the Government was required for more than twelve years to expend annually at least $24,000,000 in the purchase of silver bullion for coinage. The act of July 14, 1890, in a still bolder effort, increased the amount of silver the Government was compelled to purchase, and forced it to become the buyer annually of 54,000,000 ounces, or practically the entire product of our mines. Under both laws silver rapidly and steadily declined in value. The prophecy, and the expressed hope and expectation of those in the Congress who led in the passage of the last-mentioned act, that it would re-establish and maintain the former parity between the two metals are still fresh in our memory.

In the light of these experiences, which accord with the experiences of other nations, there is certainly no secure ground for the belief that an act of Congress could now bridge an inequality of 50 per cent. between gold and silver at our present ratio, nor is there the least possibility that our country, which has less than one-seventh of the silver money in the world, could by its action alone raise not only our own but all silver to its lost ratio with gold. Our attempt to accomplish this by the free coinage of silver at a ratio differing widely from actual relative values would be the signal for the complete departure of gold from our circulation, the immediate and large contraction of our circulating medium, and a shrinkage in the real value and monetary efficiency of all other forms of currency as they settled to the level of silver monometallism. Every one who receives a fixed salary and every worker for wages would find the dollar in his hand ruthlessly scaled down to the point of bitter disappointment if not to pinching privation.

Warned by History.

All history warns us against rash experiments which threaten violent changes in our monetary standard and the degradation of our currency. The past is full of lessons teaching not only the economic dangers, but the national immorality that follows in the train of such experiments. I will not believe that American people can be persuaded after sober deliberation to jeopardize their nation's prestige and proud standing by encouraging financial nostrums, nor that they will yield to the false allurements of cheap money, when they realize that it must result in the weakening of that financial integrity and rectitude which thus far in our history has been so devotedly cherished as one of the traits of true Americanism.

Our country's indebtedness, whether owing by the Government or existing between individuals, has been contracted with reference to our present standard. To decree by act of congress that these debts shall be payable in less valuable dollars than those within the contemplation and intention of the parties when contracted, would operate to transfer by the fiat of law and without compensation an amount of property and a volume of rights and interests almost incalculable.

Those who advocate a blind and headlong plunge to free coinage in the name of bimetallism and professing the belief contrary to all experience that we could thus establish a double standard and a concurrent circulation of both metals in our coinage are certainly reckoning from a cloudy standpoint. Our present standard of value is the standard of the civilized world, and permits the only bimetallism now possible, or at least that is within the independent reach of any single nation, however powerful that nation may be. While the value of gold as a standard is steadied by almost universal commercial and business men, it does not despise silver nor seek its banishment. Wherever there is at its side in free and unquestioned circulation a volume of silver currency sometimes equaling, sometimes even exceeding it in amount, both are maintained at a parity notwithstanding a depreciation or fluctuation in the intrinsic value of silver.

There is a vast difference between a standard of value and a currency of monetary use. The standard must necessarily be fixed and certain. The currency may be in divers forms and of various kinds. No silver-standard country has a gold currency in circulation, but an enlightened and wise system of finance secures the benefits of both gold and silver as currency and circulating medium by keeping the standard stable and all other currency at par with it. Such a system and such a standard also give free scope for the use and expansion of safe and conservative credit, so indispensable to broad and growing commercial transactions and so well substituted for the actual use of money.

If a fixed and stable standard is maintained, such as the magnitude and safety of our commercial transactions and business require, the use of money itself is conveniently minimized. Every dollar of fixed and stable value has, through the agency of confident credit, an astonishing capacity of multiplying itself in financial work. Every unstable and fluctuating dollar fails as a basis of credit, and in its use begets gambling, speculation and undermines the foundations of honest enterprise.

I have ventured to express myself on this subject with earnestness and plainness of speech because I cannot rid myself of the belief that there lurks in the proposition for the free coinage of silver, so strongly approved and so enthusiastically advocated by the multitude of my countrymen, a serious menace to our prosperity and an insidious temptation of our people to wander from the allegiance they owe to public and private integrity. It is because I do not distrust the good faith and sincerity of those who press this scheme that I have imperfectly, but with zeal, submitted my thoughts upon the momentous subject. I cannot refrain from begging them to re-examine their views and beliefs in the light of patriotic reason and familiar experience and to weigh again and again the consequence of such legislation as their efforts have invited. Even the continued agitation of the subject adds greatly to the difficulties of a dangerous financial situation already forced upon us.

In conclusion, I especially entreat the people's representatives in the Congress, who are charged with the responsibility of inaugurating measures for the safety and prosperity of our common country, to promptly and effectively consider the ills of our critical financial plight. I have suggested a remedy which my judgment approves. I desire, however, to assure the Congress that I am prepared to co-operate with them in perfecting any other measure promising thorough and practical relief and that I will gladly labor with them in every patriotic endeavor to further the interests and guard the welfare of our countrymen whom in our respective places of duty we have undertaken to serve.

Grover Cleveland

Welding Lead.

According to the Revue Industrielle, M. Blondell has introduced a new method of uniting lead to lead. The two surfaces to be joined are scraped clean and a thin layer of lead amalgam interposed between them. An ordinary soldering iron is then passed over the line of junction, and the mercury of the thin sheet of lead leaves the finely divided lead to fuse and unite the two surfaces.

It is not how much we have, but how much we enjoy that makes happiness.